

## **SEAWATER INTRUSION CONTROL PROGRAM**

### **PROGRAM DESCRIPTION**

The [Seawater Intrusion Control \(SWIC\) Program](#) provides low-interest loans to local agencies for the design and construction of publicly owned facilities necessary to protect groundwater quality in basins threatened by seawater intrusion, which are subject to a local groundwater management plan, and where restrictions on groundwater pumping, a physical solution, or both, are necessary to prevent the destruction of, or irreparable injury to, groundwater quality.

### **HISTORICAL IMPLEMENTATION**

In November 1996, voters passed the Safe, Clean, Reliable Water Supply Act (Act). The Act provided \$10 million (Section 78648-7864816) for low interest loans for seawater intrusion control (\$9.7 million for loans and \$0.3 million for administration). On March 7, 2000, Proposition 13, Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (2000 Bond Law) was approved. The 2000 Bond Law authorized \$25 million (Section 79149-79149.16) for the 2000 SWIC Sub-account for the State Water Resources Control Board (SWRCB) to provide loans for design and construction of seawater intrusion projects. The 2000 Bond Law also directed unallocated funds and loan repayments from the SWIC Program created by the 1996 Act to be transferred and deposited into the 2000 SWIC Sub-account. The 2000 Bond Law provides additional funds and rolls the 1996 Act funds into it. The SWIC Guidelines were adopted by the SWRCB in [Resolution No. 97-097](#).

### **ELIGIBLE PROJECTS AND COSTS**

**“Eligible seawater intrusion control project”** means a project which is all of the following:

- Necessary to protect groundwater;
- Within a basin subject to a groundwater management plan;
- Threatened by seawater intrusion in an area where restrictions on groundwater pumping, a physical solution, or both, are necessary to prevent destruction or injury to groundwater quality;
- Is cost-effective if providing a water supply substitute; and
- Complies with applicable water quality standards, policies, and plans.

**“Eligible”** projects may include, but are not limited to:

- Water conservation;
- Freshwater well injections; and
- Substitution of groundwater pumping from local surface supplies.

**“Eligible Cost”**

- Design costs up to six percent of the estimated eligible project cost for design only loans, or the eligible low bid, are eligible;
- Construction costs, as determined by the lowest acceptable bid, are eligible;
- Construction engineering, and administration costs, up to nine percent of the eligible low bid, are eligible;

### **“Not Eligible Cost”**

- Land, contract change orders, and claims,
- Any construction costs incurred prior to the date of the loan contract

### **PROJECT PRIORITY**

Eligible projects will be funded on a first-come-first served basis. The date of the Division’s approval of a complete application will determine the order. Each applicant is limited to \$2.5 million.

### **LOAN FUNDING PROCEDURES**

An applicant must submit to the Division for approval the following:

- Facilities Plan;
- Final Plans and Specifications (may submit at the 50 percent complete stage); and
- [Completed Application](#)

If all of the criteria relating to these documents is complete, the Division will issue a letter indicating approval and establishing the eligible cost of the project. Once the applicant agrees in writing with the Division’s eligibility decision, the Division will prepare an agenda item to present the project to the SWRCB for approval at the next available Workshop/Board Meeting.

A loan contract will be prepared and offered to the applicant only after the following:

- SWRCB has approved the project;
- SWRCB has approved Final Plans and Specifications; and
- Applicant has opened bids and determined the lowest, responsive and responsible bidder.

Loans will be fully amortized no longer than twenty (20) years after the date of the first disbursement. The loan interest rate will be one-half of the interest rate paid by the State on the most recent sale of State general obligation bonds, to be computed according to the true interest cost method. If the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent. Once the loan contract is issued, the contract amount will not be further increased.

The loan contract will contain a provision requiring the sale of future local debt to be on parity with, or subordinate to, the Program debt.

### **CONTACT INFORMATION**

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### **REFERENCES**

[Seawater Intrusion Control Guidelines, October 1997, SWRCB](#)

[Proposition 13, Article 6, Seawater Intrusion Control, Sections 78648-78648.16 – 79149 – 79149.16](#)